

PART 19

SMALL BUSINESS PROGRAMS

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19.001 Definitions

"Fair market price" as defined in the FAR is a price DLA would expect to pay under "normal competitive conditions" which means under full and open competitive conditions (without a reservation, set-aside, preference, or the like).

## SUBPART 19.2 - POLICIES

### 19.201 General policy.

(b)(90) DLA small business specialists are guided by DLAM 9100.1, Small Business Program Operations Manual. Contracting personnel should recognize the assigned responsibilities of these individuals and work cooperatively with them to achieve the objectives of the DLA Small Business and Small Disadvantaged Business Utilization Program and to avoid duplication of effort.

## SUBPART 19.3 - DETERMINATION OF STATUS AS A SMALL BUSINESS CONCERN

### 19.304 Solicitation provision *and contract clause.*

(b) If **paragraph (b) of** the Small Disadvantaged Business Concern Representation (**DoD Contracts**) (see DFARS 252.219-7000) is completed to represent that the offeror is claiming eligibility in the Minority Small Business and Capital Ownership Development Program (section 8(a) of the Small Business Act), then one of the ethnic categories must also be represented.

**(90) When the provision at FAR 52.219-1, Small Business Program Representations, and/or the provision at DFARS 252.219-7000, small Disadvantage Business Concern Representation (DoD Contracts), is used in solicitations issued via Electronic Commerce, the provision at 52.219-9004, Small Business Program Representations, shall be used to record information required by FAR 52.219-1, paragraph (b), and DFARS 252.219-7000, paragraph (c)(1).**

## SUBPART 19.5 - SET-ASIDES FOR SMALL BUSINESS

### 19.501 General.

(90) Application of preference for small disadvantaged business concerns.

(i) Application of the preference for small disadvantaged business (SDB) concerns (see DFARS 219.502-2-70, 219.502-3 and 219.70), is authorized for proposed awards against which funds will be obligated within the statutorily authorized period (currently ending Fiscal Year FY) 2000). (DFARS Section 219.502-2-70 Total set-asides for small disadvantaged business concerns, referenced above was suspended by the Under Secretary of Defense, Acquisition and Technology letter dated October 23, 1995, subject: Small Disadvantaged Business Utilization Program (see PROCLTR 95-39)).

(ii) The preference shall be applied to those proposed awards or portion thereof, including proposed multiyear awards, for which funds will be, or are anticipated to be, fully obligated by 30 September 2000. Any reasonable basis for judging the anticipated date of obligation may be used, e.g., advice of Supply Operations, or the contracting officer's knowledge from prior similar awards of the same item. For example:

(1) If it is anticipated that one-half of the estimated maximum requirement for supplies or services on an indefinite delivery contract will be obligated by 30 September 2000, the preference shall be applied to the half that will be obligated by 30 September 2000.

(2) If it is anticipated that an option will be exercised in FY 2000, the preference shall be applied to the option when it is being evaluated at the time of award of the basic contract.

(3) If a multiyear contract will not be fully obligated by the end of FY 2000, the preference shall be applied only to that portion of the multiyear contract that will be obligated by the end of FY 2000.

(iii) The following notice shall be included in solicitations that provide for an SDB preference against which funds are not anticipated to be fully obligated in FY 2000:

The preferential consideration provided by the DFARS clause 252.219-7006, Notice of Evaluation Preference for Small Disadvantaged Business Concerns, or 52.219-7001, Notice of Partial Small Business Set-Aside with Preferential Consideration for Small Disadvantaged Business Concerns, or 252.219-7002, Notice of Small

Disadvantaged Business Set-Aside, will be applied only to FY 89 through FY 2000 obligations or estimates thereof. Offerors are cautioned that the statutorily authorized period for application of the preference may be affected by legislation. If this occurs, offers under this solicitation will be evaluated on the basis of the statutory authority in effect at the time of award. This solicitation will not be amended solely for the purpose of notifying offerors of a change in the statutory authority for application of the preference.

19.503 Setting aside a class of acquisitions.

(d) The DD Form 2579, Small Business Coordination Record, shall be used to give written notice of a withdrawal from a class set-aside to the procurement center representative (PCR). The form shall be sent through the office of the Small Business Specialist (SBS). The basis for the withdrawal shall be documented in the remarks section.

19.505 Rejecting *Small Business Administration* recommendations.

(b) If the chief of the contracting office approves the action of the contracting officer, the next level of appeal shall be the activity commander. If the Commander approves the action of the contracting officer, the PCR shall be so advised and may proceed with the appeal actions prescribed in FAR 19.505(c).

19.508 Solicitation provisions and contract clauses.

(d) DFSC shall use clause 5452.219-9F06, Notice of Partial Small Business Set-Aside with Preferential Consideration for Small Disadvantaged Business Concerns (APR 94) (DEVIATION) in lieu of DFARS clause 252.219-7001 in competitive domestic bulk petroleum solicitations and contracts when the solicitation contains one or more DoD set-aside items.

(90) The clause at 52.219-9001, Obligation to Order When SDB Preference Applies, shall be included in requirements contracts awarded to SDB firms that received awards based on application of the SDB preference (see 19.501) and for which orders are anticipated to be placed beyond FY 93.

#### SUBPART 19.6 - CERTIFICATES OF COMPETENCY

19.602 Procedures.

19.602-1 Referral.

(a)(2) Prior to referring a potential contractor to one of the SBA's area offices in accordance with FAR 19.602-1 and DFARS 219.602-1, the contracting officer shall thoroughly review all the pertinent facts available, including the preaward survey (PAS), and make a determination of responsibility in accordance with FAR 9.105-2. This determination should so thoroughly consider all pertinent data and the circumstances of the acquisition, that, barring substantial evidence refuting the specific elements for which the contractor was determined nonresponsible, it represents the contracting officer's intention to pursue an appeal if the SBA Headquarters notifies the contracting officer of its intent to issue a certificate of competency (CoC). Evidence to refute the identified elements of nonresponsibility may come from the SBA, the contractor, contract administration office (CAO) personnel, or any credible source, as long as the information uncovered specifically addresses the deficient elements cited in the nonresponsibility determination. Recognizing that valuable lead time may be lost if the CoC procedure is delayed, the contracting officer may initiate the CoC process pending resolution of the type of correctable deficiencies that may have been identified in the PAS.

(90) All contracting activities are encouraged to utilize a standardized and simplified form letter for CoC referrals. DLA Form 1756, Referral of Small Business for Certificate of Competency (CoC) Consideration, is available for this purpose.

19.602-3 Resolving differences between the Agency and the Small Business Administration (SBA).

(a) The contracting officer shall request the SBA to specifically address those elements considered to be unsatisfactory and document the file accordingly. The reconciliation of differences should include, as appropriate, requests for updates and additional data from the CAO personnel responsible for the PAS.

(a)(90) If the SBA notifies the contracting officer of its intent to issue a CoC, the contracting officer shall either:

(1) Appeal the issuance of the CoC in accordance with DFARS 219.602-3(c)(i), as detailed below; or,

(2) Using the information currently available, determine the contractor to be responsible, document the file, and proceed with contract award; or,

(3) Determine to accept the CoC, without determining the contractor to be responsible. This alternative allows consideration of the circumstances of an individual acquisition which may make accepting the CoC the most reasonable alternative. Notice of the award shall be provided to the division chief (or another appropriate level above the contracting officer), to the activity postaward monitor, and to the contractor general file (see FAR 4.801(c)(3)).

(c)(90) If the contracting officer intends to appeal the issuance of the CoC, the contracting officer shall request the SBS to notify the SBA Headquarters of the intent to appeal the CoC in accordance with DFARS 219.602-3(c)(i). Within 3 workdays of receiving the SBA Headquarters notification of its intention to uphold the SBA Region's decision to issue a CoC (or, the Headquarters decision under FAR 19.602-2(b)(3)), the contracting officer shall fax a report to MMPPP summarizing the pertinent facts of the case (voluminous reports should be express mailed.). The pertinent facts shall include: name of the prospective contractor; item; quantity; dollar value; the specific elements for which the prospective contractor was determined to be nonresponsible; a copy of the pertinent portions of the preaward survey; SBA's rationale for issuing the CoC; and, the proposed alternative means of satisfying the requirements. A copy of this report shall also be forwarded to the SBS at the activity. The Executive Director, Procurement **Management** shall review the information provided and advise the contracting officer within 5 workdays of the decision to either support the appeal, or to recommend acceptance of the CoC. The Executive Director, Procurement **Management** shall provide a copy of that decision to the Director, Small and Disadvantaged Business Utilization (DDAS). If the Executive Director, Procurement **Management** elects to support the formal appeal, the contracting officer will be advised to expeditiously prepare the formal appeal and forward it through the activity SBS to DDAS in accordance with DFARS 219.602-3(c). The formal appeal shall include at a minimum: the particulars of the contract, (i.e., item, quantity, etc.); the PAS; the contracting officer's determination of nonresponsibility; any appropriate update on the contractor's progress toward becoming responsible; and a discussion of the attempts made to reconcile differences with the SBA. The Executive Director, Procurement **Management** shall be provided a simultaneous copy of the appeal. Formal appeals shall be forwarded for receipt at DLA within 5 workdays of notice that the Executive Director, Procurement **Management** supports the contracting officer's intent to appeal. Formal appeals should be indexed and tabbed.

(91) Once the contracting office requests the SBA Headquarters to review the intention of the Area office to issue a CoC, DLA contracting personnel are not authorized to waive the right to appeal, or to forfeit an appeal, without the concurrence of the Executive Director, Procurement **Management**. Requests for such concurrence shall include substantially the same type of information submitted in the report notifying the Executive Director, Procurement **Management** of the contracting officer's intention to appeal.

(92) All reports submitted by the contracting officer to the Executive Director, Procurement **Management** concerning CoC appeals shall be forwarded through the chief of the contracting office (see 2.101) for all other activities.

(93) The requirements of subparagraphs 19.602-3(c)(90) and (91) do not apply to simplified acquisitions. Contracting offices are authorized to develop local procedures to process appeals on simplified acquisitions.

#### 19.602-4 Awarding the contract.

(c)(90) If the activity has not heard from the cognizant SBA field office within 5 working days after referral, the activity will contact the SBA office to which the matter was referred to determine whether a CoC is being processed. The contract file shall be documented to reflect that this action was taken.

(91) In awarding a simplified acquisition:

(i) The contracting officer shall not agree to a longer period of time than 15 business days for the SBA reply before proceeding to award to another offeror unless the extension is approved by the chief of the contracting office.

(ii) The contracting officer may presume SBA has failed to comply with FAR 19.602-2(a)(3) and proceed in accordance with FAR 19.602-4(c) when 15 calendar days have elapsed since the date of referral of the matter to SBA.

#### SUBPART 19.7 - SUBCONTRACTING WITH SMALL BUSINESS, SMALL DISADVANTAGED BUSINESS AND WOMEN-OWNED SMALL BUSINESS CONCERNS

#### 19.705 Responsibilities of the contracting officer under the subcontracting assistance program.

##### 19.705-4 Reviewing the subcontracting plan.

(d)(6) The services of the activity and CAO Small Business Specialist (SBS) are available to assist in review of subcontracting plans. Requests for review of a subcontracting plan by the cognizant CAO shall be forwarded through the SBS at the contracting office to the SBS at the CAO. The buyer should provide a reasonable length of time (generally at least 7 working days) for the CAO review. The results of a CAO review, and any recommendations which arise therefrom, shall be evaluated by the contracting officer prior to approval of the subcontracting plan. The contract file shall be documented to reflect the review and the contracting officer's final decision on the goal accepted.

19.790 Responsibility for reviewing the subcontracting program.

When administration of contracts containing the Small Business, Small Disadvantaged Business, Women-Owned Small Business Subcontracting Plan clause is retained by the contracting office, the procedures in 42.204 apply.

SUBPART 19.8 - CONTRACTING WITH THE SMALL BUSINESS ADMINISTRATION  
(THE 8(a) PROGRAM)

19.803 Selecting acquisitions for the 8(a) Program.

(a)(4)(90) The contracting office shall assure that follow-on Section 8(a) contract support will be provided for that period of time reflected in the SBA approved business plan. In furtherance of this, close coordination between the contracting officer and SBS is essential.

(c)(90) In addition to responding to SBA requests for potential requirements to support an approved business plan of a small disadvantaged firm, it is the policy of DLA to identify other requirements which are considered suitable for placement with SBA under the Section 8(a) program. Contracting officers will consider the Section 8(a) program as a possible method of satisfying all new requirements being processed for contract action. Special attention will be given to those commodities and services which are anticipated to be recurring requirements and for which there are a limited number of prospective small business sources.

19.804-2 Agency offering.

(a)(1) The SBA notification shall be provided in writing through the SBS and a copy provided to the local SBA PCR. A reasonable due date for reply from SBA shall be established (usually 15 days) and will be stated in the offering letter. If no response is received from SBA by the due date, the requirement may be withdrawn or the time extended at the option of the contracting office.

19.804-90 Withdrawal of requirements.

(a) When circumstances arise indicating a need to withdraw requirements previously committed for Section 8(a) contracting, the contracting officer shall seek SBA agreement for such withdrawal through the SBS. If the SBA does not agree with such withdrawal, complete data supporting such proposed withdrawal shall be provided through the SBS to the Small and Disadvantaged Business Utilization Office for review and concurrence or nonconcurrence.

(b) When a requirement previously committed for Section 8(a) contracting is withdrawn and subsequently acquired by normal acquisition methods, the contracting officer shall, within 15 days after award, provide a summary of the facts to the SBS on each item stating: (i) the DLA estimated fair market price (FMP), (ii) the SBA final offered price, and (iii) the final contract price.

19.806 Pricing the 8(a) contract.

(b) Although an 8(a) supplier may be able to justify a price exceeding the FMP, award at a price that exceeds FMP is prohibited (see section 921 of P.L. 99 -661). Occasionally, cost and price analysis discloses that award should be made at a price below FMP. But in most cases, the analysis supports the FMP as fair and equitable to both parties and the award is consummated at that price.

19.807 Estimating fair market price.

(a) The FMP is intended to reflect award prices attainable to the Government if purchased on a fully competitive basis in the current open market place.

(b) In determining the FMP, the contracting officer, whether using previous buys, a market survey, pricing data, and/or cost or pricing data, would exclude any abnormally priced offers that can be identified. This includes prices which, although reasonable, were found to have been abnormally low or high due to special, or non-recurring circumstances, such as a one-time price reduction, premium charge, distress sale, etc. The FMP should normally be derived based on adjusting the lowest (except for repeat purchases - see 19.807(c)(90)) remaining reasonable price consistent with the Government's requirements in the manner specified in FAR and DLAD 19.807(c). No other price differential or adjustment factor shall be used (e.g., for independent government estimate inaccuracies, for differences between fully competitive awards and reservations, for differences between awards to manufacturers and to dealers, etc.).

(c)(90) Establishing an FMP does not mean that the section 8(a) subcontractor will always be able to meet the most recent, lowest, and /or comparable price obtained through full and open competition or sealed bidding.

(91) When there have been recent awards for comparable quantities of the item being purchased, which resulted from "normal competitive conditions," the most recent award shall be the basis upon which FMP is determined. A comparable quantity is not necessarily a similar quantity but must be one to which a logical price comparison can be made with the current quantity. All recent award prices are to be considered in determining if the most recent comparable price is representative of "normal competitive conditions." If the most recent award price is not representative of "normal competitive conditions" the file shall be so documented and the next most recent comparable award price shall be considered as the basis for the FMP determination.

(92) Award of a section 8(a) contract shall not be delayed pending award of a recently issued solicitation which resulted in competitively priced offers, unless there is no reasonable basis for determining FMP other than the pending competitive award price.

(93) When a solicitation for a particular item would generally result in different unit prices for different line items, it may be desirable to develop separate FMPs for each line item. However, it is not permissible to establish a range of FMPs for any item or group of items.

(94) Averaging of previous bid or award prices is prohibited.

(95) Previous section 8(a) award prices may be used to determine the current FMP only when: (a) a suitable previous competitive price is not available; and (b) when the previous FMP was established in accordance with FAR and DLAD guidelines.

(96) A format similar to that in subparagraph (91) shall be used to document consideration of all relevant factors affecting price used to adjust the previous award price (base FMP), or the reason the factors were not adjusted.

(97) Once the FMP is established, considering previous award prices and all relevant factors affecting price, it will be the highest price that DLA will pay, except when a revised FMP, established within the FAR/DLAD guidelines, is fully supported and documented by the contracting officer.

(98) Although use of previous competitive award prices is the required method of determining FMP, whenever applicable, nothing in this directive shall preclude consideration of the unique factors of an individual acquisition or the application of another method of determining FMP, as listed in the FAR/DLAD, provided that the file clearly documents the reasonableness of the chosen approach.

(90) Documentation of FMP.

(i) For repeat purchases, the contract file shall be documented as to how the FMP was established in the format prescribed in paragraph (91). Section 2 of the prescribed format provides for identification of the current requirement and identification of previous award prices. As indicated in subparagraph (c) (91), unless unusual circumstances exist, the most recent award price under normal competitive conditions will be the base unit price. Other previous award prices are listed for purposes of comparison. A statement documenting that the base unit price being used is reflective of normal competitive conditions shall be included in section 4 "Discussions." If other than the most recent competitive award price is used the file shall be documented as to why the most recent award price was not used and as to the reasonableness of the selected base unit price.

(ii) The base unit price established in accordance with subparagraph (c) (90) above shall be adjusted for the factors listed in section 3 of the prescribed format and any other relevant factors. Adjustments can be increases or decreases to the base unit price. Calculation and rationale for the use of adjustment factors shall be documented. Factors not considered shall be annotated "not applicable." The adjustment factors shall be added to or subtracted from the base unit price to arrive at the FMP for the current requirement.

(iii) Section 4 of the format shall be used to supplement sections 2 and 3 and to provide additional justification, as necessary, to determine that the established FMP is a price that DLA would expect to pay under normal competitive conditions.

(iv) The buyer/contracting officer may request the assistance of the activity cost and price analyst. The price analyst shall either prepare or review and coordinate on the FMP determination. If the price analyst does not concur with the buyer's FMP determination the file shall be documented with the reasons for nonconcurrence. The FMP shall be approved by the contracting officer. If there is a disagreement between the SBA/8(a) contractor and the contracting officer concerning the FMP determination, the SBS shall be given an opportunity to review the FMP determination and to provide comments. The disposition of any pricing or SBS comments shall be documented in the contract file.

(91) Prescribed FMP format.

1.  
IFB/RFP \_\_\_\_\_ NSN \_\_\_\_\_ ITEM \_\_\_\_\_

Current Requirement:

Base Unit Price      \$\_\_\_\_\_

FMP for Current Requirement  
(Base Unit Price + or - Net Adjustment)

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Approved: Contracting Officer\_\_\_\_\_Date\_\_\_\_\_

(91) FAR 42.5 stipulates that postaward orientation conferences with contractors be initiated to assure a clear understanding of the scope of the contract, the technical requirements, and the rights and obligations of the parties. The contracting officer or technical representative should initiate a request for such a conference on all first time 8(a) contracts and, when the 8(a) firm has experienced problems. Assure that all matters requiring clarification or resolution are considered and contractual requirements are explained. Specific attention shall be given to the requirements of statutes, executive orders, and labor provisions.



(92) Early notification to the SBA of deficiencies in contract performance by a Section 8(a) firm is particularly important in the administration of 8(a) contracts.

(93) Whenever it becomes known that the 8(a) subcontractor has encountered problems which could jeopardize contract performance, the SBS shall be notified. The contracting officer or authorized representative shall provide all reasonable assistance to the subcontractor to correct deficiencies.

SUBPART 19.70 - EVALUATION PREFERENCE FOR SMALL DISADVANTAGED  
BUSINESS (SDB) CONCERNS

19.7001 Applicability.

(a)(90) See 19.501 for additional procedures for application of the preference for small disadvantaged business concerns for proposed awards against which funds will not be fully obligated within the statutorily authorized period.

19.7003 Solicitation provisions and contract clauses.

(90) The clause at 52.219-9001, Obligation to Order When an SDB Preference Applies, shall be included in requirements contracts for which orders are anticipated to be placed beyond FY 2000 which were awarded to small disadvantaged business (SDB) firms based on application of the SDB preference (see 19.501).

(91) DFSC shall use clause 5452.219-9F05, Notice of Evaluation Preference for Small Disadvantaged Business Concerns (APR 94) (DEVIATION) in lieu of DFARS clause 252.219-7006 in competitive domestic bulk petroleum solicitations and contracts when (a) solicitation contains one or more DoD set-aside items, and (b) when Small Disadvantaged Business concerns are expected to offer.

**SUBPART 19.71 - PILOT MENTOR-PROTEGE PROGRAM**

**19.7100 Scope.**

**The Mentoring Business Agreements (MBA) Program is DLA's variation on the DoD Pilot Mentor-Protege Program. See Subpart 19.90.**

SUBPART 19.90 - DLA MENTORING BUSINESS AGREEMENTS (MBA) PROGRAM

**19.9001 Policy.**

Support to small, small disadvantaged, and women-owned small businesses by prime contractors shall be encouraged through use of the DLA Mentoring Business Agreements (MBA) Program.

**19.9002 Applicability.**

Prime contractor participation in the DLA MBA Program shall be included as an evaluation factor in all solicitations for long term contracting arrangements expected to exceed \$500,000 per year. Inclusion of the program in solicitations below this threshold is optional. Decisions to omit such arrangements from contracts expected to exceed \$500,000 shall be approved by the chief of the contracting office.

**19.9003 General.**

DLA MBAs are designed for prime contractors to provide development assistance to small, small disadvantaged, and women-owned small businesses in return for value added services and/or products.

(a) Purpose and Scope.

The purpose of the DLA MBA Program is to provide maximum opportunity to the small business community to participate in DLA's reengineered business processes in the awarding of contracts at either the prime or subcontract level. Under this program, a business relationship is established between the prime contractor (either a large or small business) acting as the mentor, and a small, or small disadvantaged, or women-owned small business as the protege. Prime contractors may also mentor Javits-Wagner-O'Day qualified nonprofit agencies for the blind and other severely disabled that have been approved by the Committee for Purchase from People Who Are Blind or Severely Disabled under this program (see DFARS 219.703).

This mentor/protege relationship is a mutually beneficial business relationship between the participating entities. The mentor may, for example, provide consultative services in business management disciplines, while the protege will bring the special expertise relative to its business niche to the business arrangement. Ideally, the protege can bring to the relationship a distinctive proficiency or capability which supports the mentor's business objectives and

produces mutually beneficial results. A typical approach could be an arrangement between two entities who are both in similar business lines, with the prime contractor providing the advantage of its experience, technical capabilities, and business networks to the protege. Additional examples could involve a prime in the warehousing and distribution business teaming with proteges not only in product lines but also in software development, management of hazardous materials, transportation, electronic communications, or other such areas. The DLA MBA Program can be applied across the entire spectrum of DLA commodities.

(b) Concept of Operations.

(i) DLA contracting offices will work together with their small business office as catalysts and facilitators identifying entities willing to participate as mentors. Prospective prime contractors are responsible for selecting small, small disadvantaged, and women-owned small businesses for participation in the Program. However, when requested, the DLA contracting office and/or small business office will assist prospective prime contractors in the process of locating small entities as potential proteges. Based on the prime's own proposal for participation, which identifies the assistance to be rendered, a mentor and a prospective protege will enter into a written agreement. The DLA MBA Program will provide for longer term stability and opportunity for growth and it will encourage long-term business relationships which transcend performance under specific contracts. The program goal is not to create government dependent proteges, but to enable these entities to become more viable in the commercial marketplace where the real opportunities exist.

(ii) DLA contracting offices shall lead by example in this mentoring concept by placing greater emphasis on assisting small, small disadvantaged, and women-owned small businesses through their Business Counseling Center services and other functional specialists throughout the activity. DLA contracting offices will actively sponsor and participate in industry sponsored conferences and organizational seminars/meetings using these events as a forum to discuss and promote program goals.

(iii) To promote program participation, the DLA MBA Program shall be included as an evaluation factor in individual best value acquisitions and broad agency announcements that meet the applicability standards of 19.9002. Prospective offerors shall be asked to include as part of their overall proposal a plan to participate in the Program as a mentor. Participation is elective, however, proposals that demonstrate a strong commitment to affording small, small disadvantaged, and women-owned small businesses a real opportunity to compete in the reengineered business environment could receive a more favorable rating for this evaluation factor than those that demonstrate little or no commitment. These opportunities can take the form of providing assistance to make the business a strong competitor for subcontracting opportunities, becoming a valued supplier or performing a part of the contract work in conjunction with the prime through a type of teaming arrangement. There is no limit to the type of assistance the prime contractor may provide to achieve its objectives. The factor is an element in the overall award decision and successful proposals are incorporated into the contract and monitored during performance by the contracting officer.

(iv) The DLA MBA Program shall be monitored by the cognizant small business specialist to ensure the intended purpose of the Program is being achieved. Wherever possible, this Program will utilize existing reporting mechanisms to evaluate prime contractor compliance.

(v) Incentives for prime contractors to establish and properly administer such arrangements may be provided by DLA contracting offices through:

(A) evaluation of current or proposed participation in the MBA Program as a factor in source selection;

(B) evaluation of performance in determining placement of orders under multiple award contracts;

(C) consideration of contractor past performance in exercise of options; and/or

(D) use of MBA performance under previous contracts as part of past performance evaluation.

**19.9004** Oversight and reporting.

(a) All MBAs shall be written agreements between the prime contractor and **protege**. Participating mentors shall be required to submit periodic progress reports on their agreement(s).

(b) Whenever practicable notification of such impending agreements shall be provided to Headquarters, DLA (Attn: DDAS and MMP) at least two weeks prior to their execution so that DLA executives may elect to attend signing ceremonies. Formal signing ceremonies with appropriate publicity are encouraged.

(c) All MBAs shall be reviewed semi-annually with the mentor and the protege by the contracting officer and the cognizant small business specialist. Commanders or their Deputies are strongly encouraged to participate in such reviews at Program inception. HQ DLA (Attn: MMP and DDAS) shall also be afforded an opportunity to participate in such reviews.  
**19.9005** Solicitation provision.

A provision substantially the same as the one at 52.219-9002 shall be inserted in all solicitations meeting the criteria in **19.9002**.

**19.9006** Contract clause.

A clause substantially the same as the one at 52.219-9003 shall be included in all solicitations and contracts containing the provision at 52.219-9002.

**19.9007 Reporting requirement.**

*A Reports Control System (RCS) number has been established for reporting the number of MBAs in place each quarter. The RCS number is DLA(Q)2609(MM). Quarterly reports are due to HQ DLA, ATTN: MMPPP, by the 10th working day of the month following the end of the quarter.*